

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071

**TH 15d**

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Staff: AJP-LB
Staff Report: 7/15/03
Hearing Date: 8/6-8/03
Commission Action:

STAFF REPORT: REGULAR CALENDAR**APPLICATION NUMBER:** 5-03-132**APPLICANT:** 1719 Ocean Inc.**AGENT:** Howard Laks Associates Architects**PROJECT LOCATION:** 1719 Ocean Front Walk, Santa Monica

PROJECT DESCRIPTION: Demolition of a two-story, 13-unit apartment complex and construction of a 9,943 square foot, 5-unit condominium building above a subterranean 11-car garage and the addition of two public benches and drinking fountain adjacent to the public beach promenade.

Lot Area:	10,105 square feet
Building Coverage:	4,643 square feet
Landscape Coverage:	1,620 square feet
Parking Spaces:	11
Zoning:	R3R—Medium Density Multiple Residential Beach District
Ht above existing grade:	30 feet

LOCAL APPROVALS RECEIVED: Conditional Use Permit 99-006; Vesting Tentative Parcel Map 52838; Architectural Review Board approval-- ARB 01-385.

SUMMARY OF STAFF RECOMMENDATION:

Staff recommends that the Commission deny the proposed project because the project is inconsistent with Section 30221 and 30222 of the Coastal Act in that the property is suitable for visitor-serving commercial uses or recreational use, both of which have priority over private residential development here and that the proposed residential use will have cumulative adverse impacts to coastal access and coastal recreation.

SUBSTANTIVE FILE DOCUMENTS:

Santa Monica conditionally certified LUP, with suggested modifications, 1987 (never effectuated); Santa Monica certified LUP, with suggested modifications, 1992 (effectively certified November 17, 1992); coastal development permits 5-83-560, 5-93-361, 5-95-241, 5-99-127 and 5-02-113.

The staff recommends that the Commission adopt the following resolution:

MOTION: *I move that the Commission approve Coastal Development Permit No. 5-03-132 for the development proposed by the applicant.*

STAFF RECOMMENDATION OF DENIAL:

Staff recommends a **NO** vote. Failure of this motion will result in denial of the permit and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY THE PERMIT:

The Commission hereby denies a coastal development permit for the proposed development on the ground that the development will not conform with the policies of Chapter 3 of the Coastal Act and will prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit would not comply with the California Environmental Quality Act because there are feasible mitigation measures or alternatives that would substantially lessen the significant adverse impacts of the development on the environment.

IV. FINDINGS AND DECLARATIONS:

The Commission hereby finds and declares:

A. Project Description and Location

The applicant proposes to demolish a two-story, 13-unit apartment complex and construct a 9,943 square foot, 30-foot high (above existing grade), 5-unit condominium building above a subterranean 11-car garage and the addition of two public benches and drinking fountain adjacent to the public beach promenade. The 5 units will vary from 1,858 square feet to 2,140 square feet in area.

The project site is located on a 10,105 square foot lot, in the City of Santa Monica (See Exhibit No. 1-3). The proposed project is located immediately adjacent to Ocean Front

Walk (The Promenade) to the west, Marine Terrace to the south, and Appian Way to the east. Abutting the property to the north is a bicycle and roller skate rental shop. The 10,105 square foot lot has 80 linear feet of frontage along Ocean Front Walk and is 125 feet deep, extending from Ocean Front Walk to Appian Way. The lot is situated approximately 750 feet south of the Santa Monica Pier, between Pacific Terrace to the north and Marine Terrace to the south, the pedestrian promenade and State beach are to the west. Approximately 730 feet to the south is Pico Boulevard.

The area between the Pier and Pico Boulevard, and west of The Promenade, contains a number of recreational facilities, such as volleyball courts, swings, children's play area, exercise equipment, and bike path. Along the inland side of The Promenade there are a small group of shops selling food and beach-related items, hotels, and a mix of apartments, public chess park, and public parking lots.

B. Pervious Commission Permit Action for Site

The applicant submitted a coastal development permit application (5-02-113) for a similar development in April 2002. The Commission denied the proposed development in June 2002. In denying the proposed development the Commission found that the project was inconsistent with Section 30221 and 30222 of the Coastal Act in that the property was suitable for visitor-serving commercial uses or recreational use, both of which have priority over private residential development here and that the proposed residential use would have cumulative adverse impacts to coastal access and coastal recreation.

In July 2002, following the denial of coastal development permit application no. 5-02-113, the applicant filed for a Reconsideration. The applicant asserted that there were errors of law in the Commission's decision to deny the proposed development in that the Commission did not balance the constitutional rights of the property owner and the objectives of the Coastal Act; the Commission deprived the applicant of all economically viable use of the property; there were numerous visitor-serving facilities in the area fulfilling visitor needs; the denial constituted a taking of the property both (1) because it was motivated by a jurisdictional spat between government agencies that left the applicant with no recourse, and (2) because it was an intentional wrongful denial of a permit; and consideration of affordable housing matters is outside of Coastal Act statutes.

At the September 2002 hearing on the Reconsideration, the Commission found that that there were no errors of law which had the potential of altering the Commission's initial decision, and, therefore, the Commission denied the reconsideration request.

The current application was scheduled for the June 2003 Commission hearing. The applicant requested a postponement to the August hearing. The postponement was the applicant's first postponement request.

The difference between the previously denied project and the proposed development is the current proposal includes two benches and drinking fountain on-site adjacent to the promenade for public use.

C. Past Commission Permit Action in Area

The Commission has approved a number of permits within this oceanfront area between the Pier and Pico Boulevard. Immediately to the north of the project site, the Commission approved two separate projects on the same lot located at 1702 Appian Way/1703 Ocean Front Walk. In January 1994, the Commission approved the demolition of three of four single-family dwellings and construction of a private (non-commercial) tennis court on a 20,000 square foot lot (CDP #5-93-361). The tennis court was intended to be an interim use of the site and associated with the remaining single-family residence abutting the tennis court site.

The City prohibits the demolition of structures without a proposed replacement project, therefore, the proposed tennis court was to allow the applicant to remove the dilapidated structures on-site and improve the appearance of the lot. The applicant's ultimate goal was to eventually obtain approval for a Bed and Breakfast facility from the City and the Commission. The approval of the demolition and construction of a tennis court project would allow the property owner to quickly improve the site while going through the longer permitting process for the Bed and Breakfast project.

In approving the demolition and tennis court, because the tennis court was a low priority use and not a visitor-serving use, the Commission found that the project would have adverse individual and cumulative impacts on access and coastal recreational opportunities by perpetuating low priority uses and reducing development opportunities for visitor-serving commercial development along the beach front. Therefore, since the applicant's intent was to use the tennis court as a temporary use until plans were approved for a bed and Breakfast facility, the Commission found that approving the project as a temporary use, with a condition limiting the use to five years, the tennis court would be consistent with the Coastal Act.

Subsequently, in February 1994, the Commission approved a coastal development permit for the construction of a four-unit Bed and Breakfast facility and demolition of the bicycle rental shop on the adjoining lot (CDP#5-95-241). In approving the Bed and Breakfast facility, the Commission found that the development was a priority use and would provide visitor accommodations and provide low-cost recreational activities along the beachfront, providing greater opportunities to the public for coastal access and public opportunities for coastal recreation.

The buildings have been demolished, except for the bicycle rental shop. The tennis court or the Bed and Breakfast facility were never constructed and the coastal development permits have expired. The lot is currently landscaped.

Other projects along Ocean Front Walk approved by the Commission include the Shutters Hotel to the south of the project site (CDP #5-87-1105), and a hotel (former Pritikin Center) renovation (CDP#5-99-127) located just south of Pico Boulevard. Immediately to the south of the project site a disaster replacement exemption was issued for the reconstruction of a 178-unit apartment building (Sea Castle), which was damaged by the 1994 Northridge earthquake and fire in 1996.

In 1998, the Commission approved coastal development permit no. 5-98-009 for the City of Santa Monica for the renovation of the playground and gymnastic equipment, improvements to the bicycle path and renovation of the Promenade, including a vehicle turn-out and beach drop-off at the terminus of Bay Street (south of Pico Boulevard). The improvements extended from south of the Pier to Bay Street.

D. Beach Overlay District

The subject property and surrounding area is located within the City's Beach Overlay District. The boundary of the Beach Overlay District extends along Ocean Avenue from the City's northern boundary line to Neilson Way, then along Neilson Way to the southern boundary of the City, excluding the pier and the area between the Pier on the north and Seaside Terrace on the south (see Exhibit No. 2). The Beach Overlay District was created in 1990 with the passage of a Santa Monica voter initiative (referred to as Proposition S). The initiative prohibits hotel and motel development, and restaurants over 2,000 square feet within the City's Beach Overlay District. According to the initiative, the purpose is to:

...protect the public health, safety and welfare of present and future residents of the City... by avoiding the deleterious effects of uncontrolled growth in the beach Overlay District and preserving the unique and diverse character of the Santa Monica oceanfront.

This purpose is achieved by limiting the proposed proliferation of excessive hotel, motel and large restaurant development within the Beach Overlay District. Such development ignores the need to preserve Santa Monica's greatest physical asset—its oceanfront setting, view, and access to coastal resources—and to maintain its beach and oceanfront parks as open recreational area for present and future generations.

Hotels, motels, and large restaurants are visitor-serving uses that provide public opportunities for coastal recreation and access. With the loss of areas for development of this sort of visitor-serving commercial recreational uses, the opportunities for developing visitor-serving uses generally in this beach front area are significantly reduced, and the City's ability to plan for increasing visitor-serving commercial recreational uses is significantly reduced due to the limited area in which such uses could be developed. With the loss of beach front areas that are suitable for visitor-serving development, the effects of Proposing S, and its limitations on developing visitor-serving uses, are much more

significant. For these reasons, it is all the more important that beach front property that is suitable for visitor-serving uses in this area should be reserved for such uses. To mitigate the effects of Proposition S it may be necessary to increase the level of scrutiny applied to proposals for residential development, or any other non-visitor-serving type of development, along the beach and encourage more visitor-serving uses in areas where visitor-serving uses are found to be appropriate.

In comments on past Commission permit actions, the City has stated that public facilities can encourage beach recreation just as well as restaurants and hotels, therefore, Proposition S does not necessarily prohibit the City from providing and enhancing visitor-serving facilities and beach access. This may be true, however, allowing recycling of residential uses with no provisions for visitor-serving facilities and access precludes the development of recreation and access facilities within the area. It may be necessary to provide additional public facilities on this beach in order to protect and enhance public access to the shoreline. The City's options on methods to increase recreational support facilities in light of Proposition S, include increasing privately operated facilities, requiring or encouraging redevelopment of lots with low priority uses to visitor-serving uses, or exploring an alternate program that allows the homeowners and residents who might benefit from less traffic, less beach visitors, and less visitor-resident conflicts, due to the absence of commercial support facilities, such as restaurants, hotels, and visitor-serving recreational commercial businesses, to provide a public facility network.

While City staff and coastal staff will continue to work together to develop policies for the Beach Overlay District to mitigate the potential adverse impacts to access and coastal recreation, there will continue to be a few residential developments proposed in areas where residential structures have been routinely approved in the past. However, because of the constraints placed by Proposition S on providing visitor-serving commercial recreational opportunities in the Beach Overlay District, approving residential development in this beach fronting area will have a particularly adverse individual and cumulative impact on access and coastal recreational opportunities, by reducing the opportunities to develop visitor-serving uses in the Beach Overlay District. The impact caused by development of low priority uses along this beach front area are made more severe by the restrictions of Proposition S. The project, as proposed, will preclude redevelopment of the site with a visitor-serving commercial use and perpetuate residential use of the lot, further limiting the City to provide additional visitor-serving uses in this area.

E. Visitor-Serving Commercial Recreation

Section 30221 of the Coastal Act states:

Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

Section 30222 of the Coastal Act states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

The applicant is proposing to demolish an existing 13-unit apartment building and construct a 5-unit condominium project. The proposed project site is a beach fronting property located between the pedestrian promenade (Ocean Front Walk) and the first public road (Appian Way) landward of the sea (see Exhibit No. 3).

In preliminary studies that led to the adoption of the Coastal Act, the Commission and the Legislature reviewed evidence that land uses directly adjacent to the beach were required to be regulated to protect access and recreation opportunities. These sections of the Coastal Act provide that the priority of new development near beach areas shall be given to uses that provide support for beach recreation. The Coastal Act requires that public coastal recreational facilities shall have priority over other types of development on any private land suitable for such use. Sections 30221 and 30222 give priority land use to visitor-serving commercial recreational facilities and general public recreational use on public and private oceanfront and upland areas where necessary.

Santa Monica beach is the most heavily used beach in the Los Angeles area and possibly in the State. According to the 1992 certified LUP, approximately 20 million visitors in any given year will visit Santa Monica beach, which is approximately 2 miles in length, and the area between the Pier and Pico Boulevard is the most active recreation-oriented area of the Santa Monica beach. The area between the Pier and Pico Boulevard provides a number of recreational activities that attract visitors to the area, such as, volleyball courts, gymnastic and exercise equipment, children's play area, pedestrian promenade, a chess park, and bike path. As the population continues to increase, use of this area and the rest of the Santa Monica beach area will also increase, placing a greater demand on recreational facilities and increasing the need for visitor-serving commercial and recreational type uses.

The 10,105 square foot property is located in an area that contains a mix of multiple-family residential, visitor-serving commercial development and State Beach parking lots. The property has 80 feet of frontage along Oceanfront Walk (The Promenade). Along Oceanfront Walk, between the Pier and Pico Boulevard, there are 6 visitor-serving retail establishments, 4 visitor-serving commercial businesses, 5 multiple-family residential buildings, 1 hotel, and 4 State beach parking lots, providing approximately 256 public parking spaces (see Exhibit No. 8). Immediately to the south of Pico Boulevard is the 129-room hotel Casa del Mar, (CDP #5-99-127). Beyond the Casa del Mar to the southern City limit are the south beach parking lots, providing over 1,300 public parking spaces.

As shown on Exhibit No. 8, the majority of the visitor-serving commercial is located at the foot of the pier, except for the bike rental/snack shop located adjacent to the project site.

The 10 visitor-serving establishments located along Oceanfront Walk are the only visitor-serving commercial establishments located between the foot of the Pier and the City's southern City limit, a distance of approximately 1.25 miles. Visitor-serving establishments occupy approximately 217 linear feet, or approximately 3 percent of the total property frontage along Oceanfront Walk. The majority of the area is occupied by the seven public parking lots, with over 4,765 linear feet of Oceanfront frontage, or approximately 70 percent of the total frontage. The two hotels occupy approximately 385 linear feet, or 5.6 percent of the oceanfront, with residential buildings occupying 380 linear feet, or 5.6 percent of the total oceanfront.

Immediately Inland of Appian Way, there are a few restaurants, motels and hotels, including the 340 rooms Loews Hotel (CDP #5-83-560) and the recently completed 175 room Le Merigot Hotel.

The proposed site is located along Oceanfront Walk and within close proximity to the Pier and beach hotels and, as situated, is suitable for visitor-serving commercial development. Preserving the subject lot for visitor-serving commercial use would enhance coastal recreation and access in the area. One of the basic Coastal Act goals is to maximize public recreation and access to the beaches. Permitting large lot residential development along the beach is clearly not maximizing public recreation and access. The proposed residential development is not a priority use and developing this lot with a use that will perpetuate residential use of the lot, will have adverse individual and cumulative impacts on coastal access and public opportunities for coastal recreation.

The applicant argues that the area already provides adequate visitor-serving uses and requiring additional visitor-serving uses will not enhance public beach access. As stated, the existing visitor-serving uses are concentrated near the pier and these uses occupy only 3 percent of the beach frontage along the promenade. To the south and further from the pier, the only visitor-serving establishment is a bike rental/snack shop located adjacent to the project site.

Although there is adequate parking to the south, with a lack of visitor support facilities, such as beach rental equipment shops, retail stores, and cafes in the South beach area, beach visitors generally congregate near the pier and the visitor-serving establishments surrounding the pier. The City has recognized this disparity in use in the South beach area and has attempted to draw visitors away from the pier through, physical improvements to Oceanfront Walk, installation of additional recreational equipment, artwork, and lowering parking fees within the South beach parking lots. Furthermore, in discussions with the City on their 1992 LCP submittal, the City was proposing to rezone the properties along Oceanfront Walk to RVC-- Residential-Visitor Commercial, which would have allowed additional visitor-serving uses along Oceanfront Walk (the area was excluded from certification). However, despite the City's improvements, there still remains disparity in use and there is a lack of visitor-serving establishments that would encourage and support beach use south of the pier.

South of the pier and along Oceanfront Walk, there is limited area to provide visitor-serving establishments to support beach visitors. There are currently only two vacant parcels along Oceanfront Walk. One parcel, located south of Pico Boulevard is City owned. The other parcel is located just north of the project site. The site is zoned R3R—Medium Density Multiple Residential. With further redevelopment of the area with residential uses, and the precedent that this residential development would set for the area, areas suitable for visitor-serving uses will be significantly reduced.

To address the Commission's concern with regards to the project's lack of visitor-serving uses, the applicant has included in their current proposed plan the provision of benches and a drinking fountain adjacent to Oceanfront Walk for public use, as a public amenity to support visitor use of the area. Although these improvements provide public amenities, these amenities do not address the Commission's concern in requiring visitor-serving establishments along Oceanfront Walk. Furthermore, the City provides throughout the area, and in the immediate area, beach amenities, such as benches, tables, drinking fountains, restrooms, and showers. Therefore, the applicant's proposed provision of these amenities will not significantly improve public access or recreational opportunities in the area.

The applicant further argues that the existing site is already developed with 13 residential units, and although the site will continue to be residential, the new development (5 units) will be less intense than the existing use. The Commission agrees that the site will be less intense and development with fewer units may reduce the adverse impact the residential development has on beach access and traffic; however, because the applicant is proposing to demolish the existing structure(s), the Commission must review the proposed development as new development and consider the impacts the proposed development will have on coastal resources as compared to any other development that could be located at the site (or no development), not as compared to what was previously there. Furthermore, by demolishing the existing residential structure on the site and improving the site with a new residential development on a site that, due to the location in relation to the visitor-serving Pier and the pedestrian promenade, is suitable for visitor-serving type uses, the proposed development could contribute to the establishment of a predominately residential beach front community and diminish the limited opportunities that are available for improving visitor-serving commercial recreational development to improve and maximize beach access.

Moreover, when more and more residential development encroaching into areas that attract large number of beachgoers, such as this area south of the Pier, the Commission has experienced conflicts between predominately residential communities and beachgoers. For example, in the north beach area of Santa Monica, where it is predominately residential, and in other coastal communities, residents have tried to restrict the hours of operation of the beach and beach parking lots due to perceived conflicts. Cities, including the City of Santa Monica, have also proposed preferential parking zones in an attempt to minimize the conflicts between residents and beachgoers. Such conflicts usually result in limiting beach access to the general beach going public.

Beach parking in this area is limited and is currently heavily impacted by residents and beach goers because of the area's close proximity to the Pier and the mix of older residential development that lacks adequate on-site parking. Through the City's parking permit program, residents are allowed to purchase parking permits that allow them to park in the beach parking lots to alleviate the lack of on-site and street parking. With the issuance of residential parking permits and increase in beach attendance, allowing residential development will increase competition for public parking spaces in the surrounding area and adversely impact public beach access.

Allowing the beach fronting project site to be redeveloped with low priority residential use will have an adverse impact on access to, and recreational opportunities at the beach by eliminating an area that could be developed with visitor-serving type uses, by generating non-visitor use type traffic along the beach area, and increasing competition for public on-street and public beach lot parking spaces between beach goers, residents and residential visitors.

The applicant further argues that under the City's current zoning for the site (R3R—Medium Density Multiple Family Coastal Residential District) the only visitor-serving uses permitted are conditionally permitted uses, such as a Bed and Breakfast (4-units), Neighborhood Grocery Store, and Bicycle and Skate Rental Facilities. The applicant has provided an economic feasibility analysis for the Bed and Breakfast and Neighborhood Grocery Store. Based on this analysis the applicant has determined that the uses are not economically feasible (see Exhibit No. 9).

The economic analysis provided by the applicant makes general assumptions and staff cannot determine the basis for these assumptions. Therefore, the accuracy of the applicant's analysis cannot be determined at this time. Furthermore, the applicant did not project in his analysis all possible designs and combination of permitted uses. Therefore, it cannot be determined if all permitted uses and combination of uses are economically infeasible.

Further, the applicant argues that the City would not permit a multi-use development, but has not discussed or applied to the City for a multi-use development. Moreover, the applicant has not explored the possibility of having the property re-zoned or the current zoning amended to allow additional visitor-serving uses, such as, restaurants and other retail shops, which are currently prohibited under the current zoning. One possible alternative zoning, which is consistent with the surrounding area, is RVC—Residential-Visitor Commercial. The RVC zoning would allow additional visitor-serving uses, such as retail shops, snack shops, restaurants, cafes, and recreational equipment rentals, along with residential. RVC zoning is consistent with the zoning of other properties along Oceanfront Walk and the uses are consistent with the limitations imposed by Proposition S. The visitor-serving uses located at the foot of the Pier, along Oceanfront Walk, are zoned RVC and one of the existing uses is a mixed-use providing residential units above the visitor-serving ground floor.

Although the applicant argues that providing parking for a mix-use development on a 10,105 square foot lot would pose design problems and reduce the number of residential units on the site due to City parking requirements, it is possible that parking for a small visitor-serving use may be waived by the City and Coastal Commission, provided that the use does not act as a primary destination and primarily relies on existing beach foot traffic. There are a number of other small visitor-serving uses along the promenade that do not provide any on-site parking. Therefore, it is possible that the parking requirements for the visitor-serving portion of the project could be waived and/or the size of the units reduced to include some additional parking. However, at this time the applicant has not explored this alternative.

Therefore, the Commission finds that the proposed residential project, as currently designed, is inconsistent with Section 30221 and 30222 of the Coastal Act and denies the permit.

F. Local Coastal Program

Section 30604 of the Coastal Act provides, in part:

(a) Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3...

In August 1992, the Commission certified, with suggested modifications, the land use plan portion of the City of Santa Monica's Local Coastal Program, excluding the area west of Ocean Avenue and Neilson Way (Beach Overlay District), except for the Santa Monica Pier, and excluding the Civic Center. On September 15, 1992, the City of Santa Monica accepted the LUP with suggested modifications. The proposed project, which is located west of Neilson Way, is not covered under the 1992 certified LUP. The area within the Beach Overlay District was excluded from certification due to Proposition S discouraging visitor-serving uses along the beach, resulting in an adverse impact on coastal access and recreation. In deferring this area the Commission found that, although Proposition S and its limitations on development were a result of a voters' initiative, with Proposition S in effect, the policies of the City's proposed LUP were inadequate to achieve the basic Coastal Act goal of maximizing public access and recreation to the State beach within the Beach Overlay District area, and they would not ensure that development would not interfere with the public's right of access to the sea.

In a previous Commission LUP action, in 1987 and prior to the passage of Proposition S, the Commission certified, with suggested modifications, a LUP that included the area presently known as the Beach Overlay District. In certifying the 1987 LUP, the

Commission found that the LUP, as submitted, would result in adverse impacts on coastal access and recreational opportunities and, therefore, denied the LUP as submitted, and approved it with suggested modifications to mitigate any adverse impacts. One of the suggested modifications required that the subarea south of the Santa Monica Pier to Pico Boulevard shall be devoted to visitor-serving uses. Residential uses were permitted in the area, but only above the ground floor of visitor-serving uses. The Commission found that the modification was necessary to assure that the lower priority land use of private residential development would not adversely impact the public beach parking supply and that higher priority recreational and visitor-serving use is not replaced by private residential development. The 1987 Commission certified LUP, with modifications, was never adopted by the City. Subsequently, in 1992 the City submitted a new LUP with policies covering the area between the Pier and Pico Boulevard. One of the policies proposed by the City reflected the Commission's 1987 suggested modification that prohibited residential development on the ground floor between the Pier and Pico Boulevard. However, by that time, the area was within the Beach Overlay District and the area was, therefore, deferred from certification for the reasons indicated above.

The subject site, because of its proximity to the Pier, pedestrian promenade, hotels and State beach parking lots, is suitable for visitor-serving commercial recreational development. Developing this site and others in the general area with low priority type uses, such as residential uses, will preclude this area from being developed with higher priority type uses, such as public coastal recreational facilities and visitor-serving commercial, which would enhance public beach access and recreational opportunities. The Commission, therefore, finds that the proposed project is inconsistent with the Chapter 3 policies of the Coastal Act and will prejudice the ability of the City to prepare Land Use Plan policies for the Beach Overlay District (deferred area) and a Local Coastal Program implementation program consistent with the policies of Chapter 3 of the Coastal Act, as required by Section 30604(a) of the Coastal Act. Therefore, the proposed project is denied.

G. CEQA

Section 13096 of the Commission's regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available, which would substantially lessen any significant adverse impact, which the activity may have on the environment.

Under the City's current zoning (R3R—Medium Density Multiple Family coastal Residential District) for the project site, which allows mixed use development, the applicant can develop the site with non-residential uses, which will have less of an adverse impact on

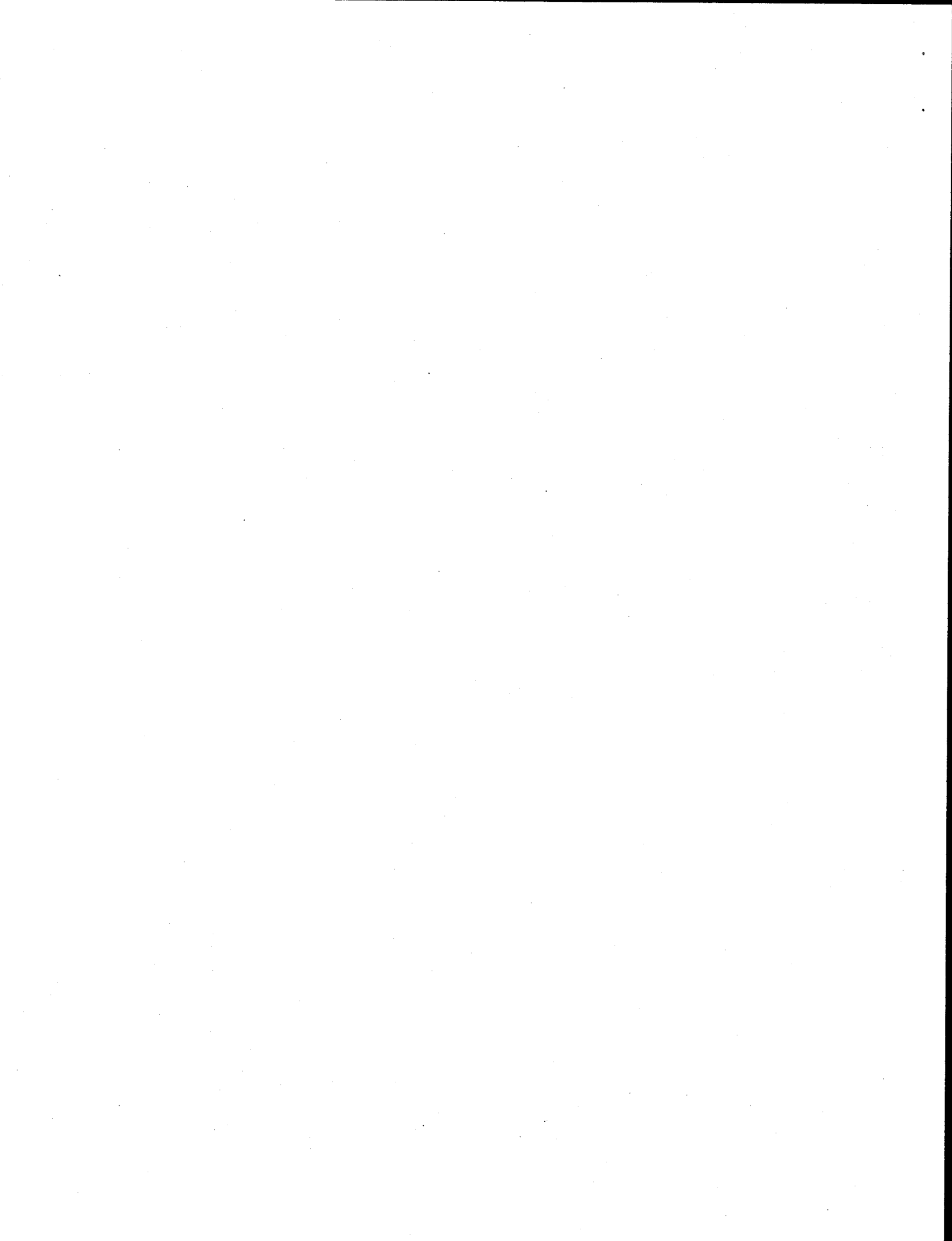
coastal access and recreation, than the proposed use. The applicant has the option of developing the site with visitor-serving uses, such as, a Bed and Breakfast facility, Neighborhood Grocery, Bicycle and Skate Rental facilities, or a public park and playground. These type of developments would enhance access in the area by providing the public with visitor-serving type uses. Furthermore, the applicant would not be limited to develop the site with only one use. Since the City would allow mixed use, the applicant can provide a visitor-serving use on the ground floor along Oceanfront Walk and add residential above.

Another option available to the applicant is to have the City rezone the property to allow additional visitor-serving uses, such as, restaurants and retail shops, which are prohibited under the current zoning. One possible alternative zoning, which is consistent with the area along Oceanfront Walk, is RVC—Residential-Visitor Commercial. The RVC zoning would allow additional visitor-serving uses, such as retail shops, snack shops, restaurants, cafes, and recreational equipment rentals, along with residential.

These development alternatives would increase coastal access and coastal recreational opportunities in this area consistent with the policies of the Coastal Act and will be less environmentally damaging than the proposed residential development.

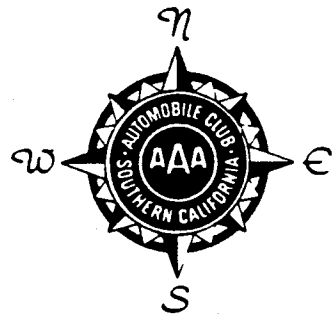
Furthermore, as an additional option, under the current zoning, the applicant can renovate the existing residential structure(s) and continue the existing residential use. Although this residential option would preclude visitor-serving or recreational use of the site, renovation of the structures would be exempt from Coastal permit requirements, therefore, this option is a viable alternative for the property owner.

Therefore, the Commission finds that the proposed project is not the least environmentally damaging feasible alternative and the project cannot be found consistent with CEQA and the policies of the Coastal Act.





Project
Location



LOS ANGELES AREA

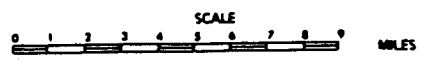


EXHIBIT NO. 1
Application Number 5-03-132
Vicinity Map
California Coastal Commission

HUNTINGTON BI

Channel
OCEAN

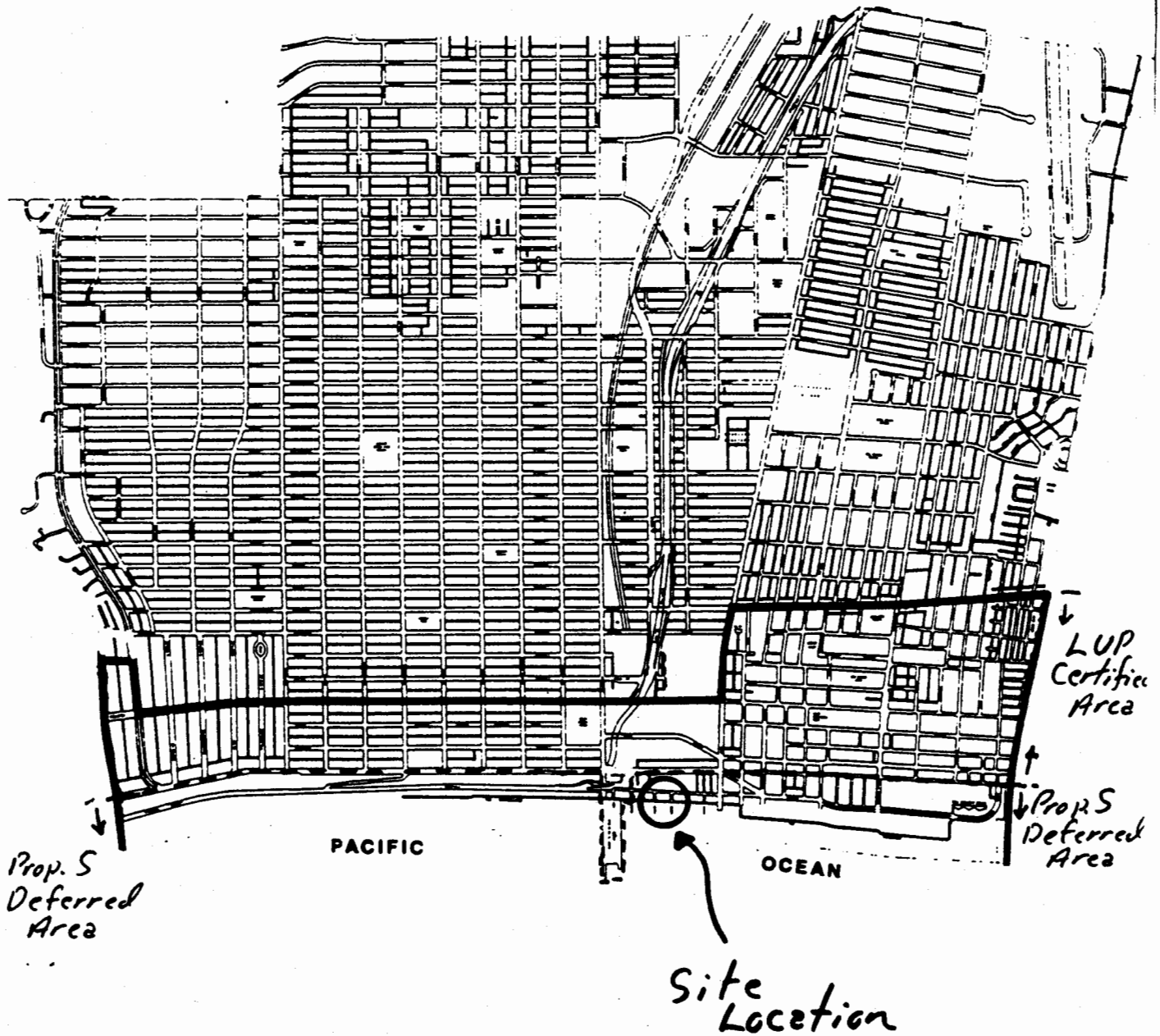


EXHIBIT NO. 2

Application Number

5-03-132

Coastal Zone

Boundary

California Coastal Commission

MAP 3

Santa Monica Coastal Zone

SANTA MONICA LOCAL COASTAL PROGRAM

Feet
0 2000 Ft



Pier

Beach

Project Site

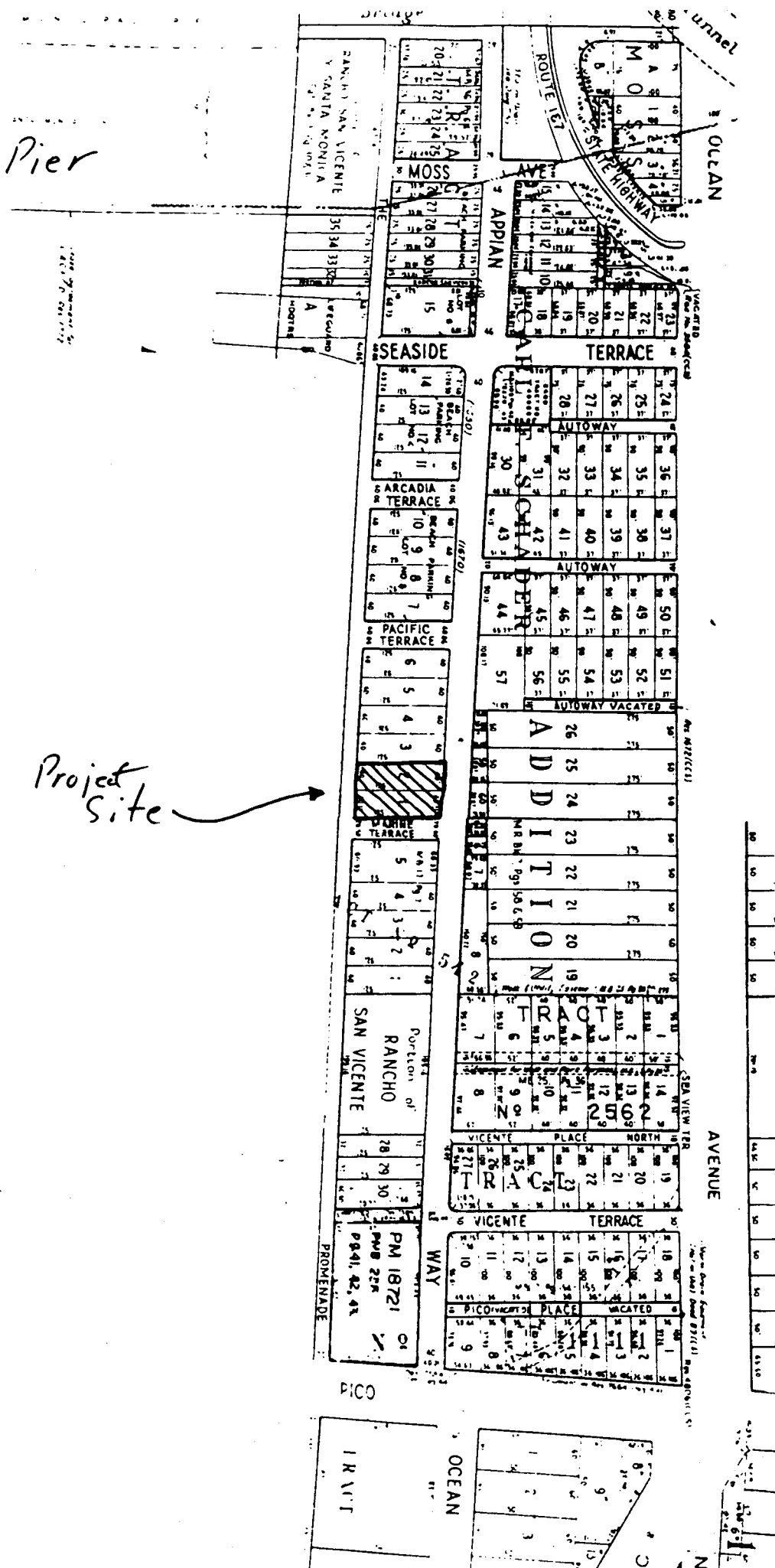
EXHIBIT NO. 3

Application Number

5-03-132

Parcel Map

California Coastal Commission



Romanos and Coleman
Landscape + Architecture
1607 Jando Dr.
Los Angeles, CA 90009
310 453 7105 fax
310 453 2748 fax

Architect
Nancy Coleman, RLA
CA License No. C 26230
Issue Date 11/30/01
Revisions 3/15/02

LANDSCAPE DESIGN

1719 OCEAN FRONT WALK
SANTA MONICA, CALIFORNIA

North (1)

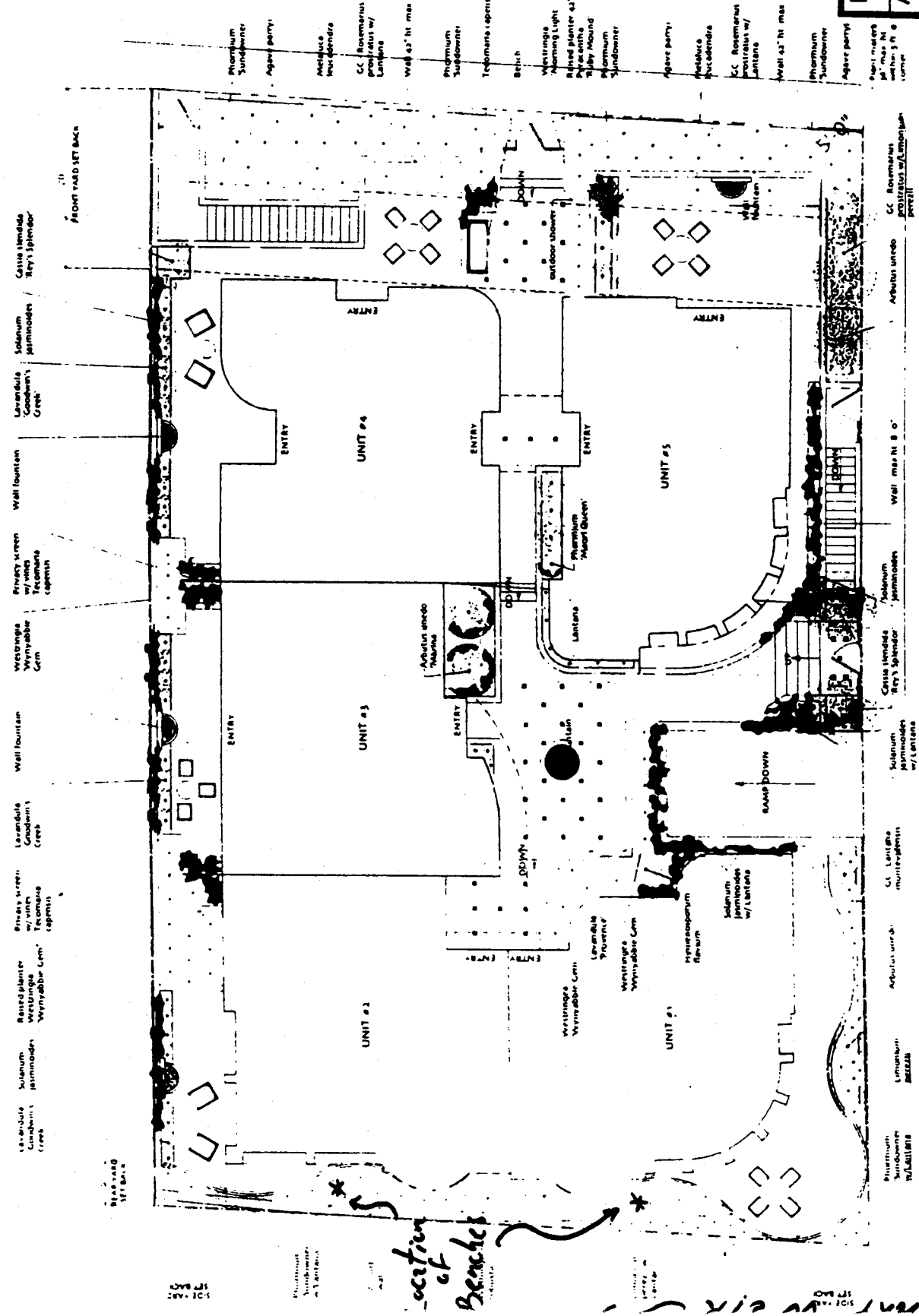
EXHIBIT NO. 4

Application Number

5-03-132

Site Plan

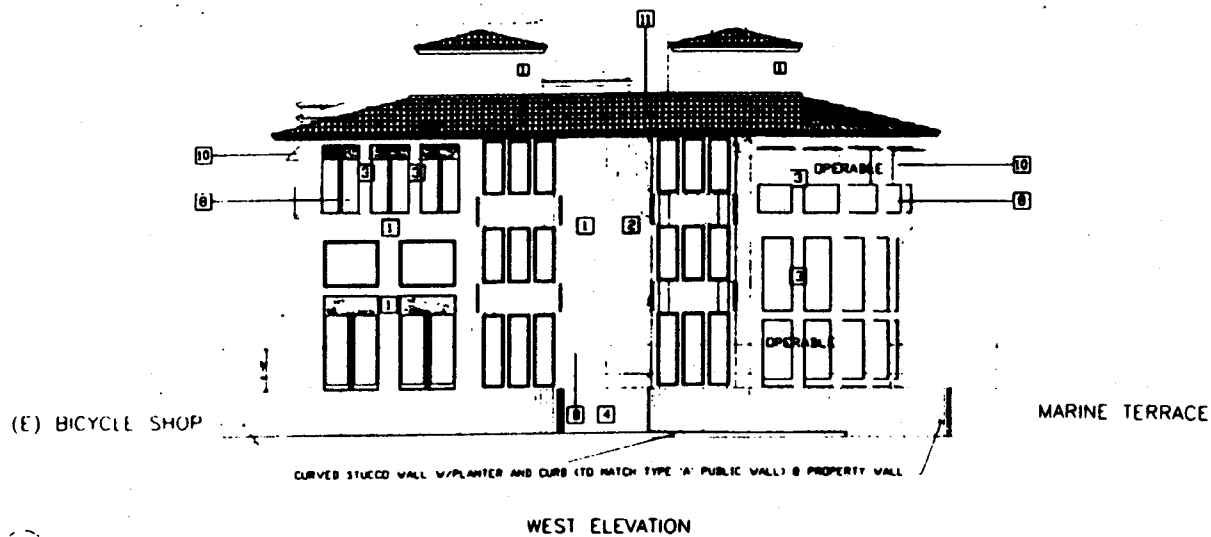
California Coastal Commission



MARINE TERRACE

section of Benches

0 10 20 30 feet



SEA CASTLE
Approx. 40' (H)
(at this location)

- 1 CREAM-2152-70 BENJAMIN MOORE
Primary paint color on all exterior elevations
Smooth steel troweled stucco finish
- 2 RUST-2175-30 BENJAMIN MOORE
Secondary paint color on selected exterior elevations
Smooth steel troweled stucco finish
- 3 FAIRVIEW TAUPE - HCS BENJAMIN MOORE
Painted steel columns to match steel windows
- 4 CREAM-2152-70 BENJAMIN MOORE
Primary paint color on all exterior elevations
Smooth steel troweled stucco finish
Structure base

- 5 Steel tower PS upper surround
- 6 FAIRVIEW TAUPE - HCS BENJAMIN MOORE
Primary steel door and window frames
- 7 FAIRVIEW TAUPE - HCS BENJAMIN MOORE
Decorative security fence and gates
- 8 GLASS - LOF CLEAR Selective guards
- 9 GLASS - LOF CLEAR window glazing

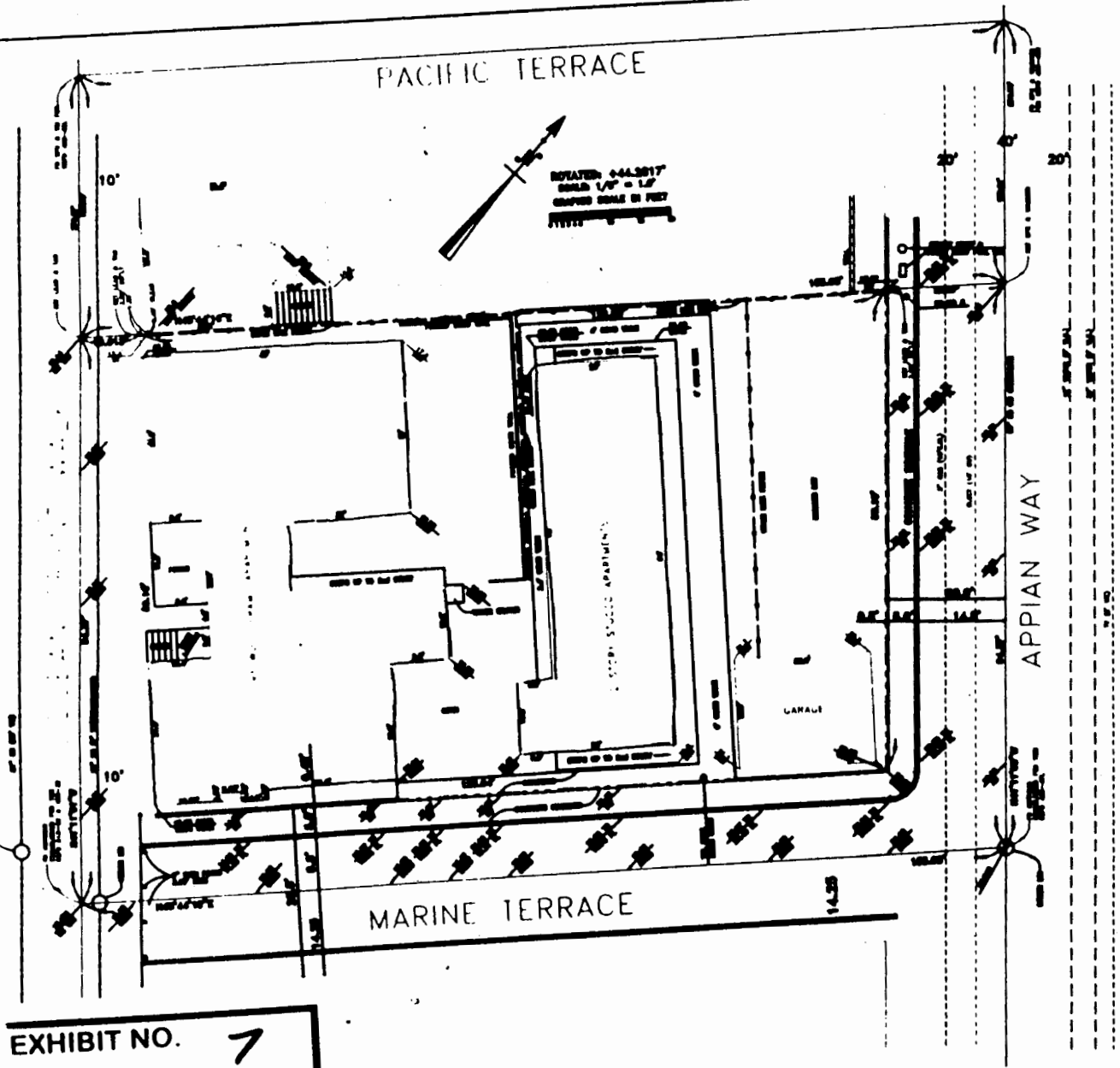
- 10 SUNBELLA - ROYAL BLUE 4617
Curved eavings
- 11 TERRACOTTA ROOF TILES
Roof tiles
- 12 LINSTONE BURGUNDY 18" x 18" PAVERS
Paved surface and stair hardscape
- 13 CERAMIC TILE 3' x 3' - ANN SACKS - REFLECTION - SV66
Accent paving materials

EXHIBIT NO.	6
Application Number	5-02-132
	West Elevation
California Coastal Commission	

EXHIBIT NO. 7

Application Number
5-03-132

Existing Apt.
Site Plan



NOTES

1. THE SITE OF THE PROPERTY SHOWN IS BASED ON THE 1974-75 AERIAL PHOTOGRAPHY AND THE 1974-75 CITY OF SANTA MONICA PLAT MAP.

2. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

3. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

4. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

5. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

6. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

7. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

8. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

9. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

10. THE PROPERTY IS SHOWN AS A SINGLE UNIT AND IS NOT TO BE SUBDIVIDED.

BENCH MARK

THE BENCH MARK IS A CONCRETE PILE DRIVEN INTO THE GROUND AT THE CORNER OF THE LOT AND IS 10' FROM THE CORNER.

PROPERTY OWNERS

1700 GARDEN STREET
SANTA MONICA, CALIF. 90401
TEL. (213) 344-1111

PROPERTY SURVEYED

1700 GARDEN STREET
SANTA MONICA, CALIF. 90401

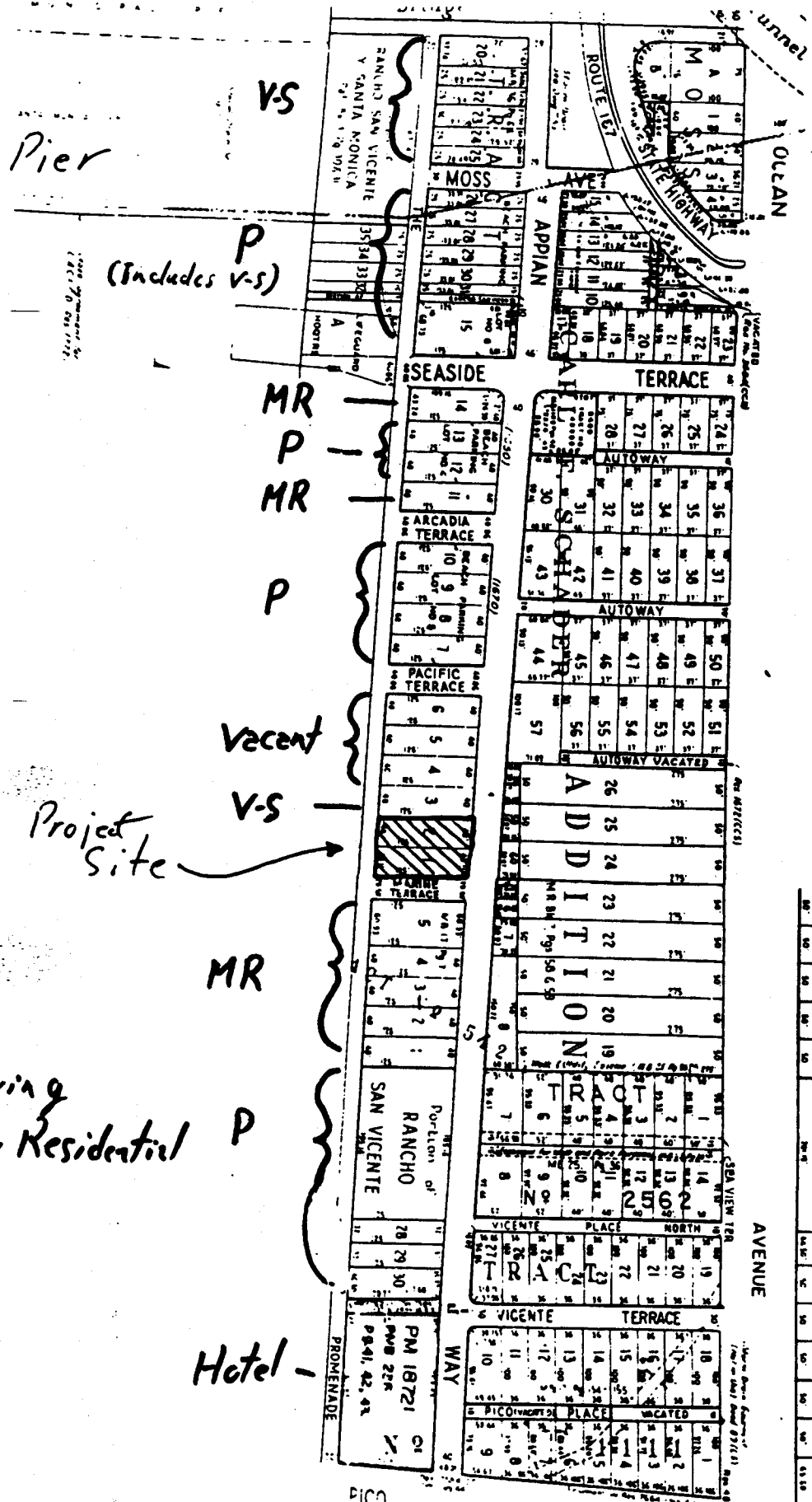
COMPUTER FILE: JCCPRINT.DWG

PLOTTED: 12-07-01

J.C. JOHNSON & SONS
CIVIL ENGINEERING
SURVEYING PLANNING

SHEET 1 of 1

LOW 1 & 2, C&G, P. EXHIBIT NUMBER TERRACE, NO. 17-10-11, CITY OF SANTA MONICA



Beach

Project Site

Hotel

Hotel

V-S - visitor Serving
MR - Multi Family Residential
P - Parking

EXHIBIT NO. 8
Application Number 5-03-132
Existing Uses
California Coastal Commission

1719 OCEAN, INC.				
PROJECTION #1 - BED & BREAKFAST (4-UNIT) MOTEL ASSUMPTION 1				
ANNUAL PROJECTION				
ASSUMPTIONS:				
UNIT RENTAL RATE:				
A. PEAK SEASON	\$250 PER NIGHT AT 100% OCCUPANCY			
B. NON-PEAK SEASON	\$150 PER NIGHT AT 80% OCCUPANCY			
FOOD & BEVERAGE COST				
PERSONNEL	\$10 PER DAY PER UNIT			
\$90,000 PAYROLL & \$10,000 PAYROLL TAXES; INCLUDING 3 EMPLOYEES				
FOR ADMINISTRATION & CLEANING				
PROPERTY TAX	1% OF TOTAL PROJECT COST OF \$5.2 MILLION, INCLUDING \$3.7 MILLION			
EXISTING MORTGAGE, \$1.0 MILLION CONSTRUCTION LOAN &				
\$0.5 MILLION EQUITY				
MORTGAGE INTEREST	7% PER ANNUM ON \$4.7 MILLION TOTAL LOANS, INCLUDING \$3.7 MILLION			
EXISTING MORTGAGE & \$1.0 MILLION CONSTRUCTION LOAN				
	% OF REV.	PEAK SEASON	NON-PEAK	
		(4 MONTHS)	SEASON	ANNUAL
			(8 MONTHS)	TOTAL
RENT REV.		120,000	115,200	235,200
EXPENSES:				
GARDENING	1%	1,200	1,152	2,352
COMMISSION	5%	6,000	5,760	11,760
REPAIRS & MAINTENANCE	2%	2,400	2,304	4,704
FOOD & BEVERAGE		19,200	30,720	49,920
SUPPLIES	1%	1,200	1,152	2,352
UTILITIES	5%	6,000	5,760	11,760
PERSONNEL		33,333	66,667	100,000
PROPERTY TAX		17,333	34,667	52,000
BED TAX	12%	14,400	13,824	28,224
MORTGAGE INTEREST		109,667	219,333	329,000
LAUNDRY	1%	1,200	1,152	2,352
INSURANCE	5%	6,000	5,760	11,760
TELEPHONE	2%	2,400	2,304	4,704
DEPREC. (NON-CASH)		10,582	21,164	31,746
TOTAL EXPENSES		230,915	411,719	642,634
NET INCOME / (LOSS)				
		(110,915)	(296,519)	(407,434)
NET CASH-IN / (CASH-OUT)				
		(100,333)	(275,355)	(375,688)

Received at Commission
Meeting

SEP - 9 2002

LW: 1719 Proj 9-6 12 pm

From:

A. Stacy

EXHIBIT NO. 9

APPLICATION NO.

5-03-132

Economic Analysis



California Coastal Commission

1719 OCEAN, INC.

**PROJECTION #1 - BED & BREAKFAST (4-UNIT) MOTEL ASSUMPTION 2
ANNUAL PROJECTION**

ASSUMPTIONS:

UNIT RENTAL RATE:

A. PEAK SEASON	\$200 PER NIGHT AT 100% OCCUPANCY
B. NON-PEAK SEASON	\$120 PER NIGHT AT 80% OCCUPANCY

FOOD & BEVERAGE COST **\$10 PER DAY PER UNIT**

PERSONNEL **\$90,000 PAYROLL & \$10,000 PAYROLL TAXES; INCLUDING 3 EMPLOYEES
FOR ADMINISTRATION & CLEANING**

PROPERTY TAX **1% OF TOTAL PROJECT COST OF \$5.2 MILLION, INCLUDING \$3.7 MILLION
EXISTING MORTGAGE, \$1.0 MILLION CONSTRUCTION LOAN &
\$0.5 MILLION EQUITY**

MORTGAGE INTEREST **7% PER ANNUM ON \$4.7 MILLION TOTAL LOANS, INCLUDING \$3.7 MILLION
EXISTING MORTGAGE & \$1.0 MILLION CONSTRUCTION LOAN**

	% OF REV.	PEAK SEASON (4 MONTHS)	NON-PEAK SEASON (8 MONTHS)	ANNUAL TOTAL
RENT REV.		96,000	92,160	188,160
EXPENSES:				
GARDENING	1%	960	922	1,882
COMMISSION	5%	4,800	4,608	9,408
REPAIRS & MAINTENANCE	2%	1,920	1,843	3,763
FOOD & BEVERAGE		19,200	30,720	49,920
SUPPLIES	1%	960	922	1,882
UTILITIES	5%	4,800	4,608	9,408
PERSONNEL		33,333	66,667	100,000
PROPERTY TAX		17,333	34,667	52,000
BED TAX	12%	11,520	11,059	22,579
MORTGAGE INTEREST		109,667	219,333	329,000
LAUNDRY	1%	960	922	1,882
INSURANCE	5%	4,800	4,608	9,408
TELEPHONE	2%	1,920	1,843	3,763
DEPREC. (NON-CASH)		10,582	21,164	31,746
TOTAL EXPENSES		222,755	403,885	626,640
NET INCOME / (LOSS)		(126,755)	(311,725)	(438,480)
NET CASH-IN / (CASH-OUT)		(116,173)	(290,561)	(406,734)

171st OCEAN, INC.
PROJECTION #2 - NEIGHBORHOOD GROCERY STORE
ANNUAL PROJECTION

ASSUMPTIONS:

RENT REVENUE	3,000 SQ. FT. GROCERY STORE AT \$4 PER SQ. FT. PER MONTH = \$12,000 PER MONTH
PROPERTY TAX	1% OF TOTAL PROJECT COST OF \$4.5 MILLION, INCLUDING \$3.7 MILLION EXISTING MORTGAGE, \$0.3 MILLION CONSTRUCTION LOAN & \$0.5 MILLION EQUITY
MORTGAGE INTEREST	7% PER ANNUM ON \$4.0 MILLION TOTAL LOANS, INCLUDING \$3.7 MILLION EXISTING MORTGAGE & \$0.3 MILLION CONSTRUCTION LOAN

	% OF REV.	ANNUAL TOTAL
RENT REVENUE		144,000
EXPENSES:		
REPAIRS & MAINTENANCE	2%	2,880
UTILITIES	2%	2,880
INSURANCE	5%	7,200
PROPERTY TAX		45,000
MORTGAGE INTEREST		280,000
ARCHITECT / PERMITS		100,000
DEPREC. (NON-CASH)		9,524
TOTAL EXPENSES		447,484
NET INCOME / (LOSS)		(303,484)
NET CASH-IN / (CASH-OUT)		(293,960)

SPACE ALLOCATION:

GROCERY STORE	3,000	SQ. FT.
PARKING SPACE	4,200	SQ. FT.; 12 PARKING AT 350 SQ. FT. EACH
LANDSCAPING	2,800	SQ. FT.
TOTAL LOT SIZE	10,000	SQ. FT.

1719 OCEAN, INC.

PROJECTION #3 - GROCERY STORE (1ST FL.) & APARTMENTS (2ND FL.)

ANNUAL PROJECTION

ASSUMPTIONS:

RENT REVENUE:

A. STORE 3,000 SQ. FT. AT \$4 PER SQ. FT. = \$12,000 MONTHLY RENT

B. APARTMENT 7,000 SQ. FT. AT \$2 PER SQ. FT. = \$14,000 MONTHLY RENT

PROPERTY TAX

1% OF TOTAL PROJECT COST OF \$6.7 MILLION, INCLUDING \$3.7 MILLION EXISTING MORTGAGE, \$2.5 MILLION CONSTRUCTION LOAN & \$0.5 MILLION EQUITY

MORTGAGE INTEREST

7% PER ANNUM ON \$6.2 MILLION TOTAL LOANS, INCLUDING \$3.7 MILLION EXISTING MORTGAGE & \$2.5 MILLION CONSTRUCTION LOAN

	% OF REV.	ANNUAL TOTAL	GROCERY STORE 12,000 / MONTH	APARTMENTS 14,000 / MONTH
ANNUAL RENT REV.		312,000	144,000	168,000

EXPENSES:

REPAIRS & MAINTENANCE 2% 6,240

UTILITIES 5% 15,600

INSURANCE 5% 15,600

ARCHITECT / PERMITS 125,000

PROPERTY TAX 67,000

MORTGAGE INTEREST 434,000

DEPREC. (NON-CASH) 79,365

TOTAL EXPENSES 742,805

NET INCOME / (LOSS) (430,805)

NET CASH-IN / (CASH-OUT) (351,440)